



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

DONALD W. DOWNES
CHAIRPERSON

THE ENERGY & TECHNOLOGY COMMITTEE

House Bill 6127: AAC UTILITY DEPOSITS FOR BUSINESS CUSTOMERS

March 12, 2009

TESTIMONY OF CHAIRMAN DONALD W. DOWNES

The Department of Public Utility Control (Department) supports House Bill No. 6127 with the following recommendations. House Bill No. 6127 would require the Department to determine utility security deposits for small business owners.

Section 1 (a) of the bill allows utility companies to collect security deposits from business customers they determine to not be creditworthy a deposit that is not to exceed the equivalent of one month of services. It also would require the Department to establish the maximum rate allowed for this thirty day period.

Sub-section (b) of the bill requires that the Department implement section 1 through a contested case proceeding. While the Department is supportive of the intent of this bill it recommends that the term "contested case" be removed since all parties will have an opportunity to be heard on the matter in a docket whereby the Department can review and develop an appropriate rubric to balance the interest of the companies and those of the small business community.

The Department agrees with the proponents of this bill that an appropriate policy on deposits can be developed under the aegis of the Department but believes the language in Section one is somewhat prescriptive if the intent is to provide a best practice for utility companies. The Department recommends that this bill be amended and that subsection (b) remain with the deletion of "contested case" as the text of the bill. In the Department's opinion, a docket in this matter will accomplish a comprehensive review and thorough analysis of the issues presented in this bill.

The Department thanks the Committee for this opportunity to testify and looks forward to working with all the parties on this issue.